

## Department of Defense

## 245.601

(B) For each unit of IPE with an acquisition cost of \$25,000 or more, an itemized list including nomenclature, plant equipment code, year of manufacture and acquisition cost.

(v) Approving officials shall retain for periodic review, documentation of the circumstances justifying non-Government use of IPE.

[56 FR 36448, July 31, 1991, as amended at 62 FR 34127, June 24, 1997]

### Subpart 245.5—Management of Government Property in the Possession of Contractors

#### 245.505 Records and reports of Government property.

##### 245.505-3 Records of material.

If adequate controls are in place to meet the requirements of the clause at 252.242-7004, Material Management and Accounting System, the contractor's material control system may physically commingle inventories that may include materials for which costs are charged or allocated to fixed-price, cost-reimbursement, and commercial contracts. Government-furnished material (GFM) may not be physically commingled with other material, nor may GFM be used on contractor's commercial work.

##### 245.505-5 Records of plant equipment.

(a) The contractor may use DD Form 1342, DoD Property Record, as a source document for setting up prescribed records.

##### 245.505-6 Special reports of plant equipment.

The contractor shall prepare a DD Form 1342 in accordance with instructions contained in AR 700-43/NAVSUP PUB 5009/AFM 78-9/DLAM 4215.1, Management of Defense-Owned Industrial Plant Equipment (IPE)—

(1) Upon receipt and acceptance of each item of IPE including items which, though part of a manufacturing system, would otherwise qualify as IPE;

(2) Whenever major changes occur in the data initially submitted to Defense Supply Center Richmond (DSCR) (as specified by DLAM 4215.1);

(3) When IPE, including general purpose components of special test equipment which otherwise qualify as IPE, is no longer required for the purpose authorized or provided; or

(4) When disposal is completed.

[56 FR 36448, July 31, 1991, as amended at 62 FR 34127, June 24, 1997]

#### 245.505-14 Reports of Government property.

(a) Use the clause at 252.245-7001, Reports of Government Property, in all solicitations and contracts containing one of the following clauses—

(1) FAR Section 52.245-2, Government Property (Fixed-Price Contracts);

(2) FAR Section 52.245-5, Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts);

(3) FAR Section 52.245-7, Government Property (Consolidated Facilities);

(4) FAR Section 52.245-10, Government Property (Facilities Acquisition); or

(5) FAR Section 52.245-11, Government Property (Facilities Use).

[59 FR 27674, May 27, 1994]

### Subpart 245.6—Reporting, Redistribution, and Disposal of Contractor Inventory

#### 245.601 Definitions.

(1) *Controlled substances* means—

(i) Narcotic, depressant, stimulant, or hallucinogenic drug or substance;

(ii) Any other drug or substance controlled under Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; or

(iii) A drug or substance required to be controlled by international treaty, convention or protocol.

(2) *Demilitarization* means the act of destroying the offensive or defensive characteristics of equipment or material to prevent its further military or lethal use.

(3) *Production scrap* means material left over from the normal production process that has only remelting or reprocessing value, e.g., textile and metal clippings, borings, and faulty castings and forgings.

(4) *Serviceable or usable property* means property that has a potential for use or sale value “as is” or with minor